



SONA COMSTAR

BofA Global EV / EV Battery Conference

17 May 2022

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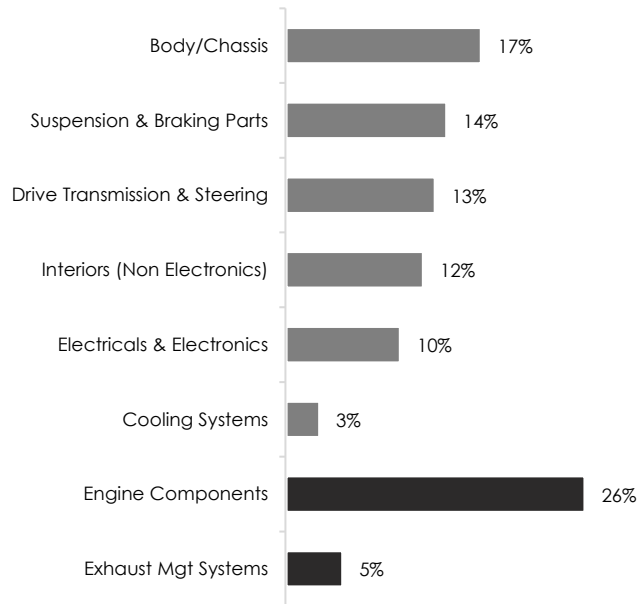
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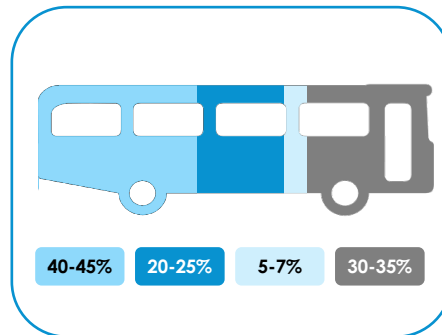
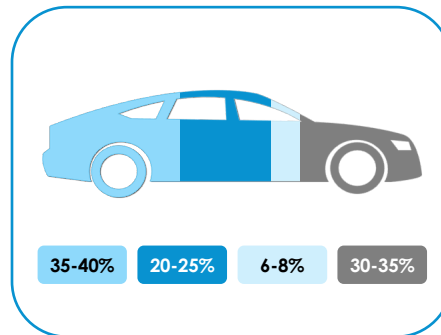
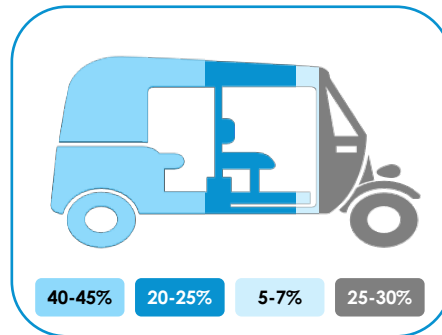
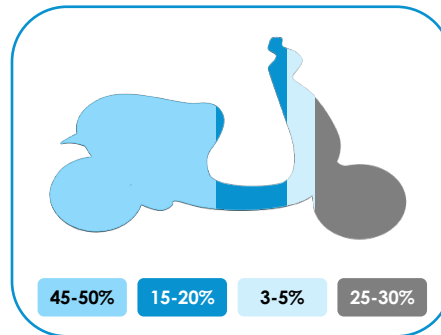


With the requirement of new components, EV supply chain to be vastly different from ICE supply chain

Share of FY20 Revenues for the Indian Auto Component Industry



Products that can be upgraded to suite EV requirements
 Products that will be obsolete with electrification



Indicative cost proportions

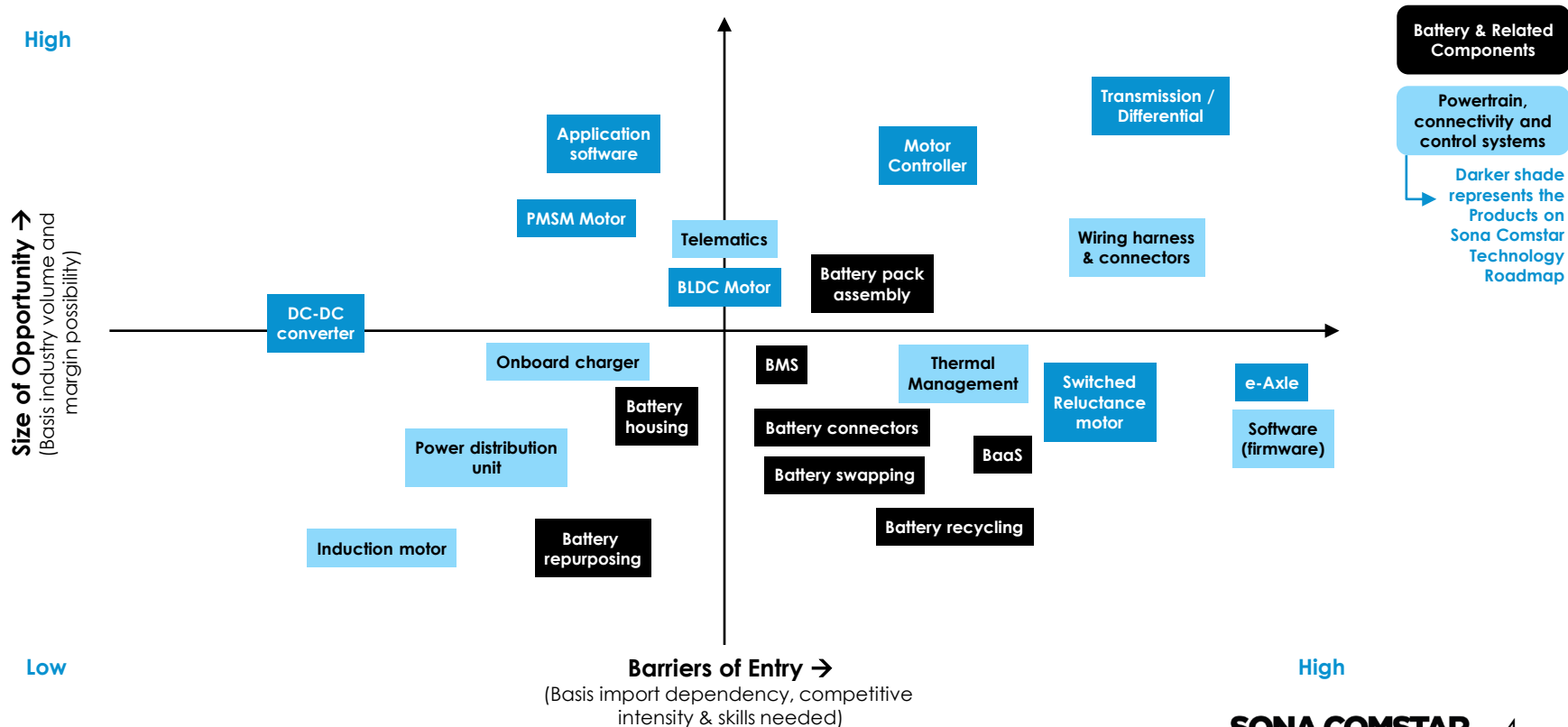
Battery & Related Components

Powertrain & Power Electronics










Connectivity and Control Systems




Chassis and Other Body Parts

Many powertrain & connectivity systems are expected to have high opportunity, but with high barriers of entry



Every application has different requirement, which needs the most suitable powertrain technology

Vehicle Segment	Application	Torque	Speed	Robustness	Cost Effectiveness
 Electric 2-wheelers (city speed)	Short distance city commute, speed limited to <60 kmph	Low	Medium	High	High
 Electric 2-wheelers (high speed)	Long distance city / intercity commute, can run at >60 kmph speed	High	High	Low	Medium
 Electric 3-wheelers (passenger carrier)	Carry passengers for short distance city commute	Medium	Low	High	High
 Electric LCVs (3 or 4-wheelers)	Carry goods for last mile deliveries within city	High	Low	Medium	High
 Electric Off Highway Vehicles	Agriculture, and any other off highway heavy duty applications	High	Low	Medium	High
 Electric Cars (performance)	Daily commute within the city	Low	Medium	High	High
 Electric Cars (high performance)	Intra city commute and inter city commute at high speed	High	High	Medium	Low
 Electric Bus	Public transport within city for daily passenger commute	High	Low	Medium	High
 Electric Trucks	Carry goods for long hauls	High	Low	Medium	High

 Low
  Medium
  High

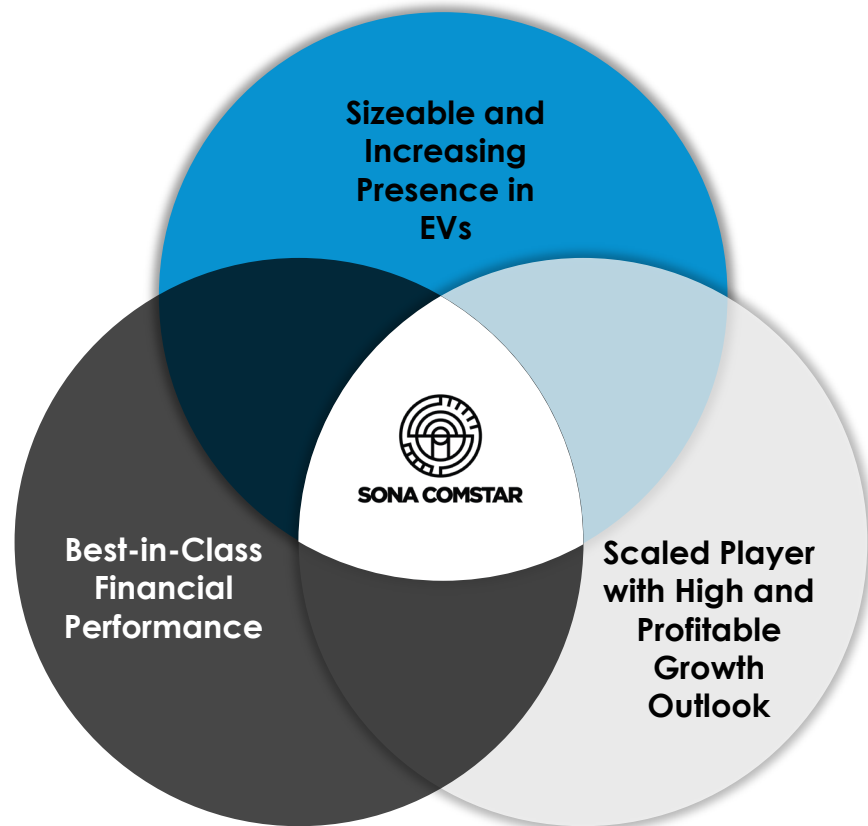


About Us

Final Inspection of Differential Assembly

Our Value Proposition

We are one of the world's leading automotive technology companies, designing, manufacturing and supplying mission-critical complex systems and components for both **electrified** and non-electrified powertrain segments



Our Strategic Priorities



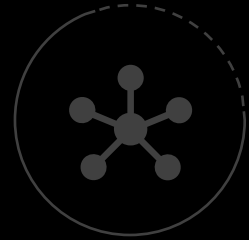
Technology



Electrification



**Global Market
Significance**



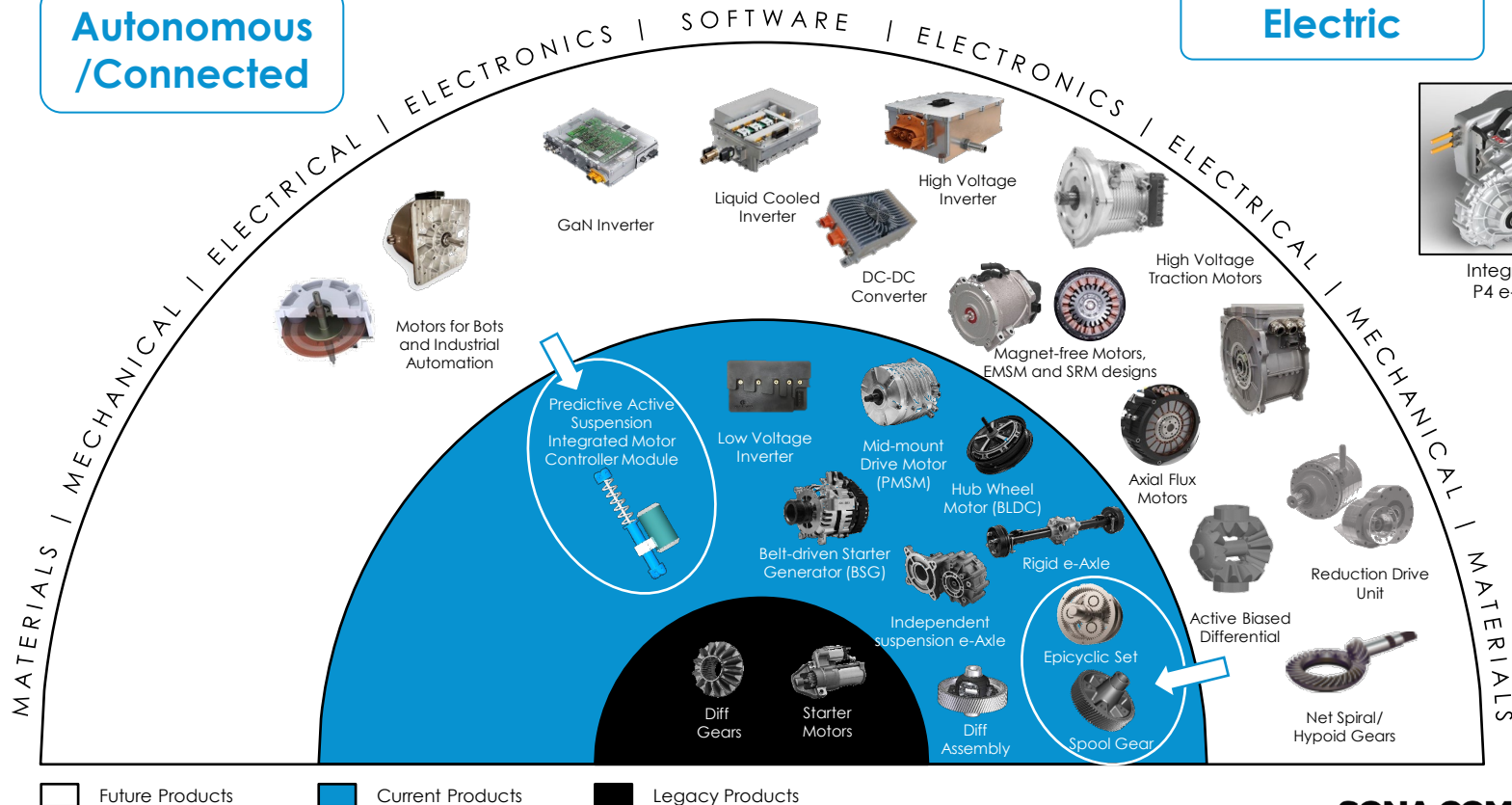
Diversification

We have made progress on our technology roadmap by introducing 3 new products in FY22



**Autonomous
/Connected**

Electric



Future Products

Current Products

Legacy Products

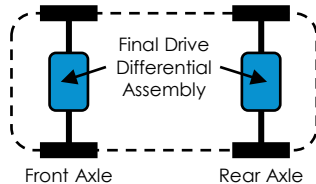
SONA COMSTAR 9

Note: The product images shown are for illustration purposes only and may not be an exact representation of the products

For EV drivetrains, we now have products/solutions for almost every architecture



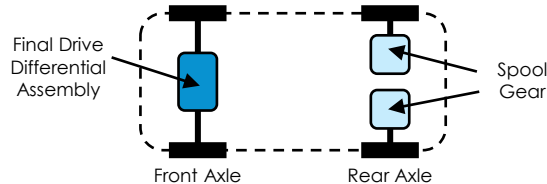
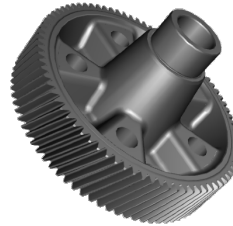
Final Drive Differential Assembly



1 or 2 motor architecture

Currently in production

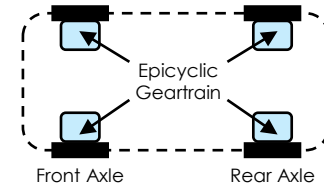
Spool Gear



3 motor architecture

Order won and production to start in FY24

Epicyclic Geartrain

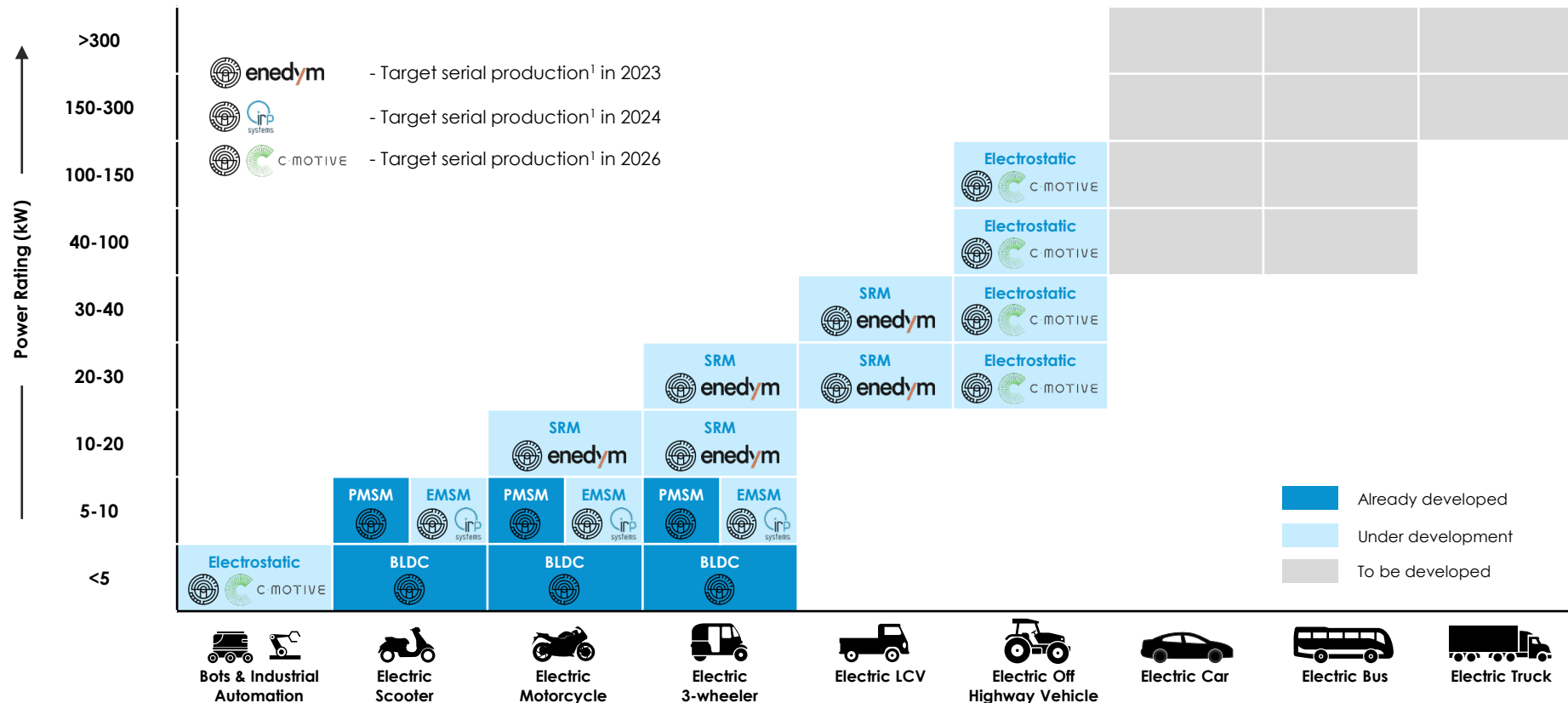


4 motor architecture

Apart from EVs it is used for CV gearbox/hub reduction application also

Order won for CV application and production to start in FY23

For traction motors we aim to develop products by mapping the right technology to the right application



Notes:

1. Serial production is likely to commence in the year mentioned for the product(s) being developed under these strategic partnerships

Our Strategic Priorities



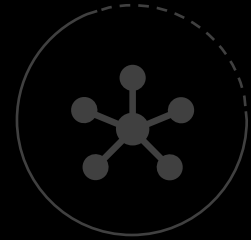
Technology



Electrification

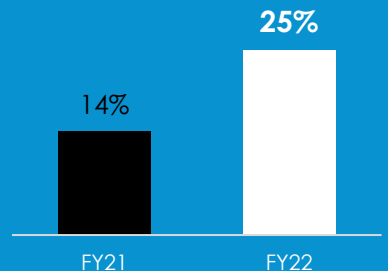


Global Market
Significance

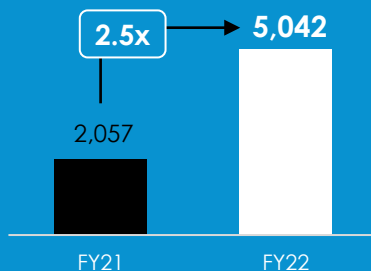


Diversification

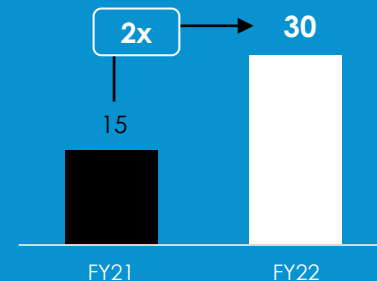
Sizeable and Increasing Presence in EVs



Revenue Share from BEV



BEV segment revenue



Cumulative No. of EV Programs awarded

15
(3+12)¹

EV Programs¹ awarded across
10 customers as at the end of
FY21

+15

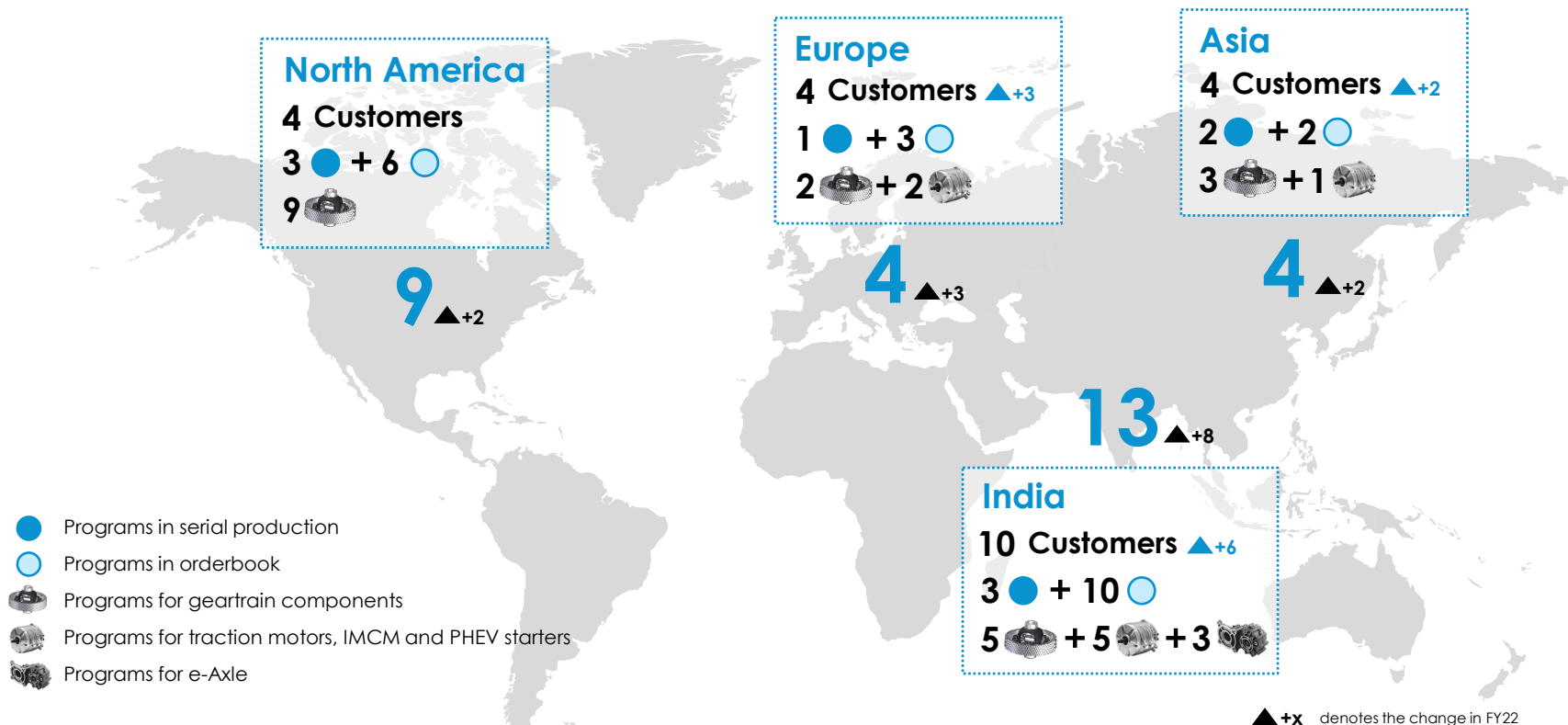
30
(9+21)¹

EV Programs¹ awarded across
19 customers as at the end of
FY22

Notes:

1. Include only BEV and PHEV programs currently in serial production as well as in the orderbook; numbers in brackets to be read as → (# of programs in serial production + # of programs in orderbook)

30 EV Programs across 19¹ different customers



Notes:

1. 2 customers are present in more than one geography

Our Strategic Priorities



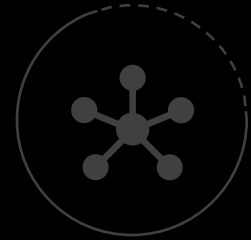
Technology



Electrification

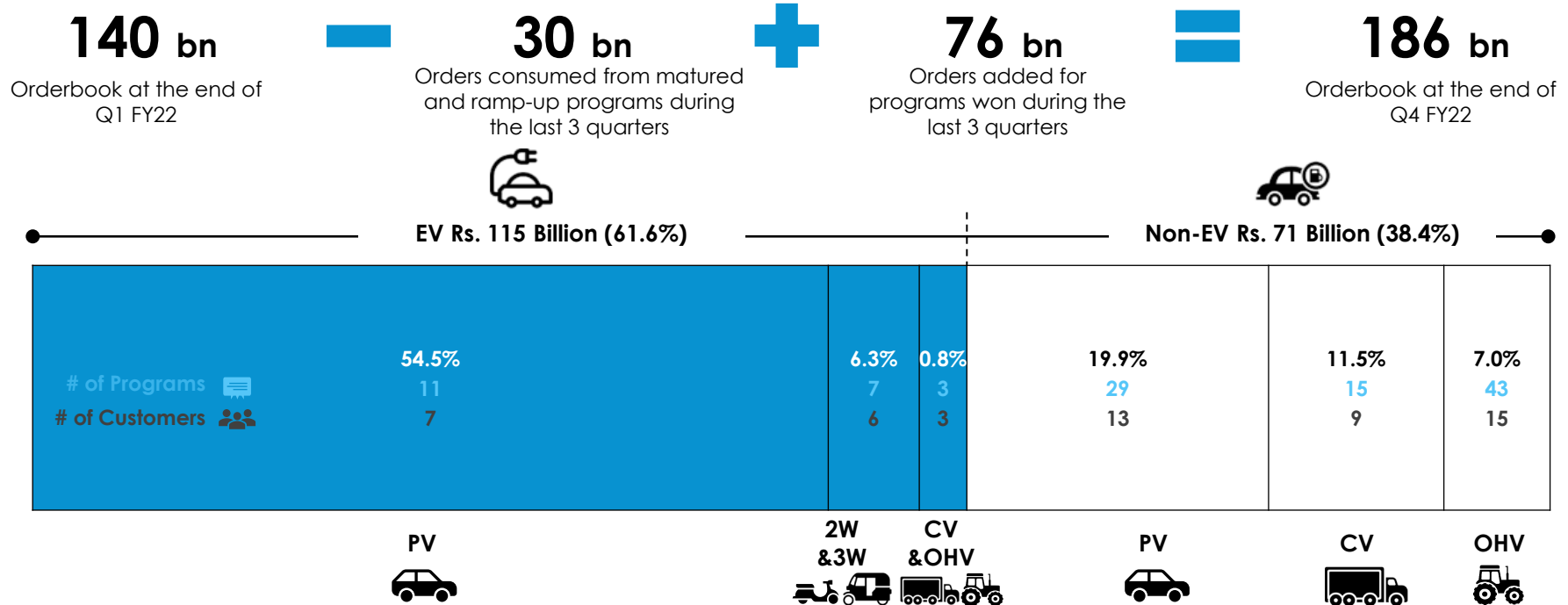


Global Market
Significance



Diversification

EV contributes 62% to our net order book¹ of Rs. 186 billion



Notes:

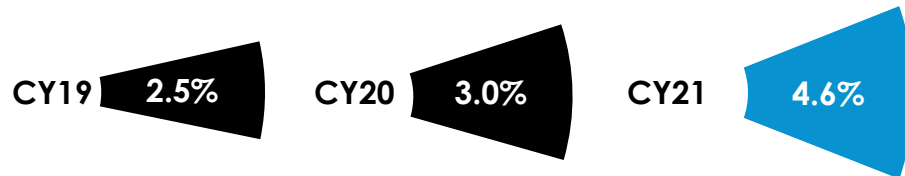
- Net order book means the aggregate revenue from awarded programs which are either yet to start production or are yet to fully ramp up, in the next 10 years, after adjusting for the negative impact of all programs that are expected to reach end of life or be phased out. We have also applied a discount to accommodate any unforeseen delays or changes in program launches that may happen in the future.

Our Global market share continues to increase across Differential Gears & Starter Motors

Differential Gears¹



Starter Motors¹



While we continue to dominate the Indian market for Differential Gears

Passenger Vehicles



55-60%²

Commercial Vehicles



80-90%²

Tractors



75-85%²

Notes:

1. As per Ricardo report; starter motor market share across light vehicles
2. As per CRISIL report

Our Strategic Priorities



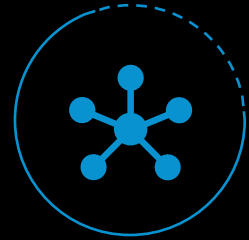
Technology



Electrification



Global Market
Significance



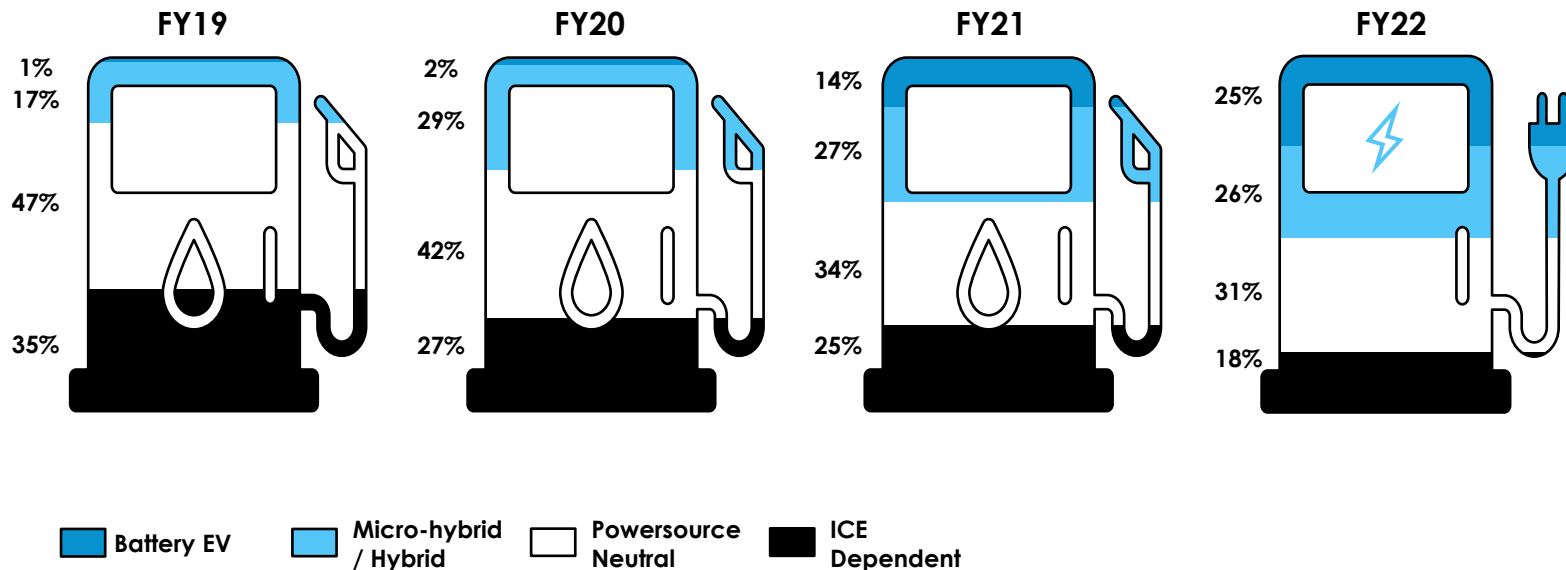
Diversification

Diversified Revenue Mix – By Powertrain



Battery EV increasing as a % of our revenue continues to be our dominant and secular theme

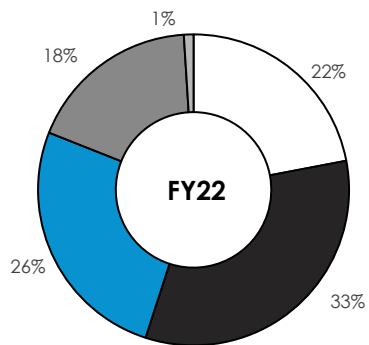
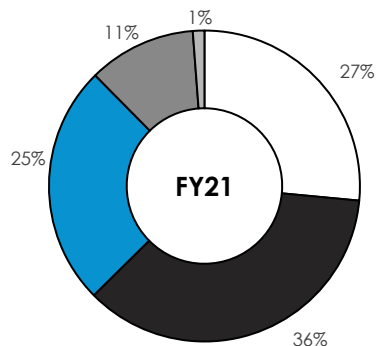
Our pure ICE dependence continues to reduce steadily going from 24.8% in FY21 to 17.6% in FY22



Diversified Revenue Mix

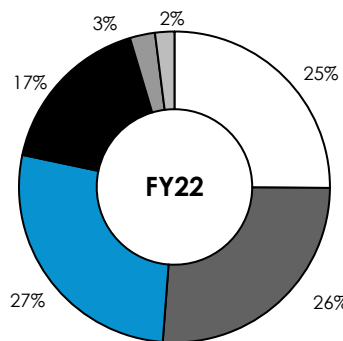
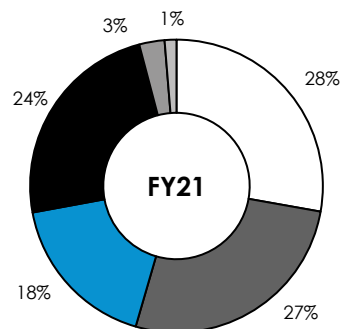


By Geography



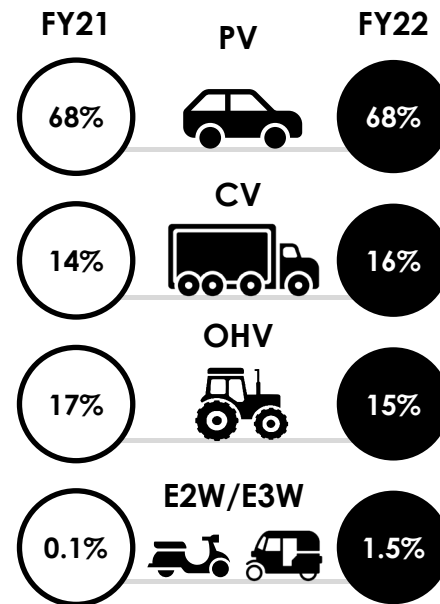
□ Europe ■ North America ■ India ■ Asia (excl. India) ■ RoW

By Product



□ Differential Gears ■ Micro/Plug-in Hybrid Starter Motors
 ■ Differential Assembly ■ Conventional Starter Motors
 ■ Others Gears ■ Others (incl. traction motors)

By Vehicle segment



FY22 Financial Performance Highlights

21,306 mn | 36%

Revenue | YoY Growth

5,591 mn | 27%

EBITDA | YoY Growth

26.2% EBITDA Margin

3,615 mn | 68%

PAT | YoY Growth

17.0% PAT Margin

32.4%

RoCE¹

36.3%

RoE²

Notes:

1. ROCE = LTM EBIT/ Average tangible capital employed
2. ROE = LTM PAT/ Average tangible net worth

A close-up, low-angle shot of several interlocking metal gears. The gears are dark, possibly black or dark grey, with a matte finish. The teeth of the gears are sharp and pointed. The lighting is dramatic, with strong highlights on the edges of the teeth and deep shadows in the gaps between them. The background is blurred, showing more gears and a sense of depth.

Thank you

Our final drive gears

Appendix



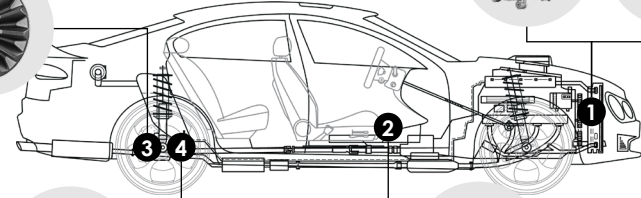
Outside view of our manufacturing plant at Manesar, Haryana

Product Summary

Differential Bevel Gears

Passenger Vehicles

Belt Starter Generator Starter Motor



Differential Assembly

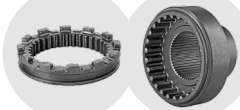


Reverse Idler

Inter-Axle Gear Set



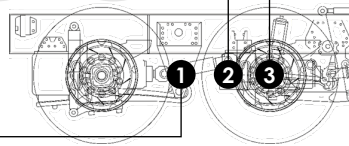
Coupling/ Sleeves



Differential Bevel Gears

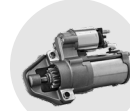


Commercial Vehicles

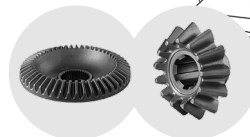


Off Highway Vehicles

Starter Motor



Differential Assembly



Portal Axle Gears

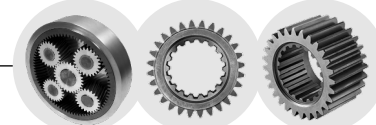


Differential Bevel Gears

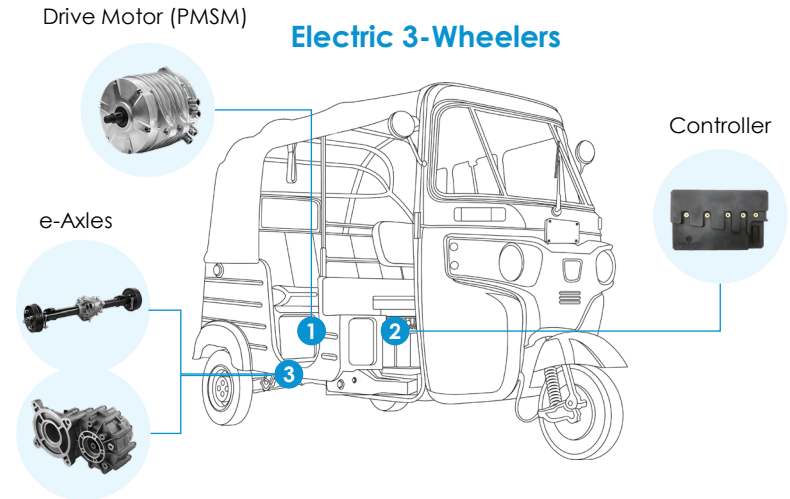
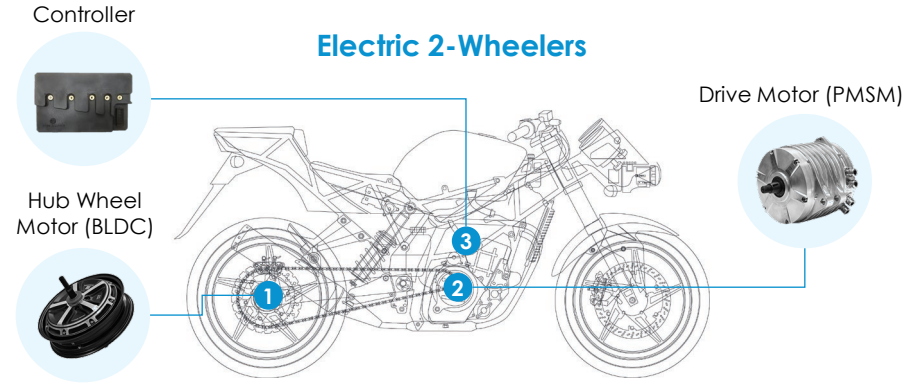
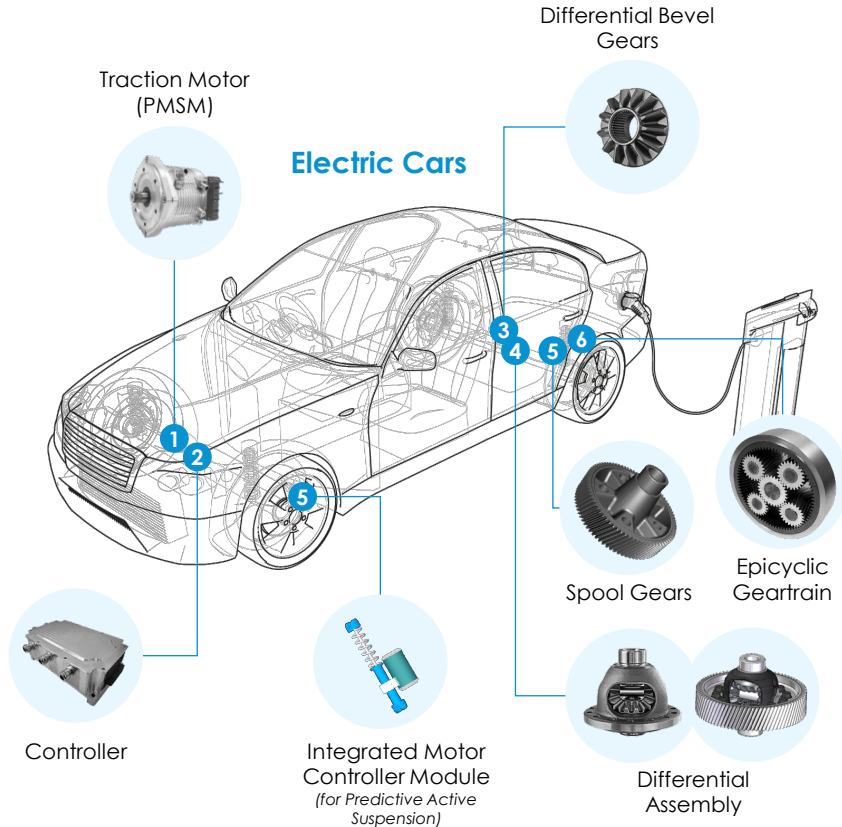
Starter Motor



Epicyclic Geartrain/Gears



Product Summary



Our story so far...

Phase - 1

- 18 Customers
- 2 Plants
- 1 Product

Phase - 2

- 22 Customers
- 2 Plants
- 2 Products

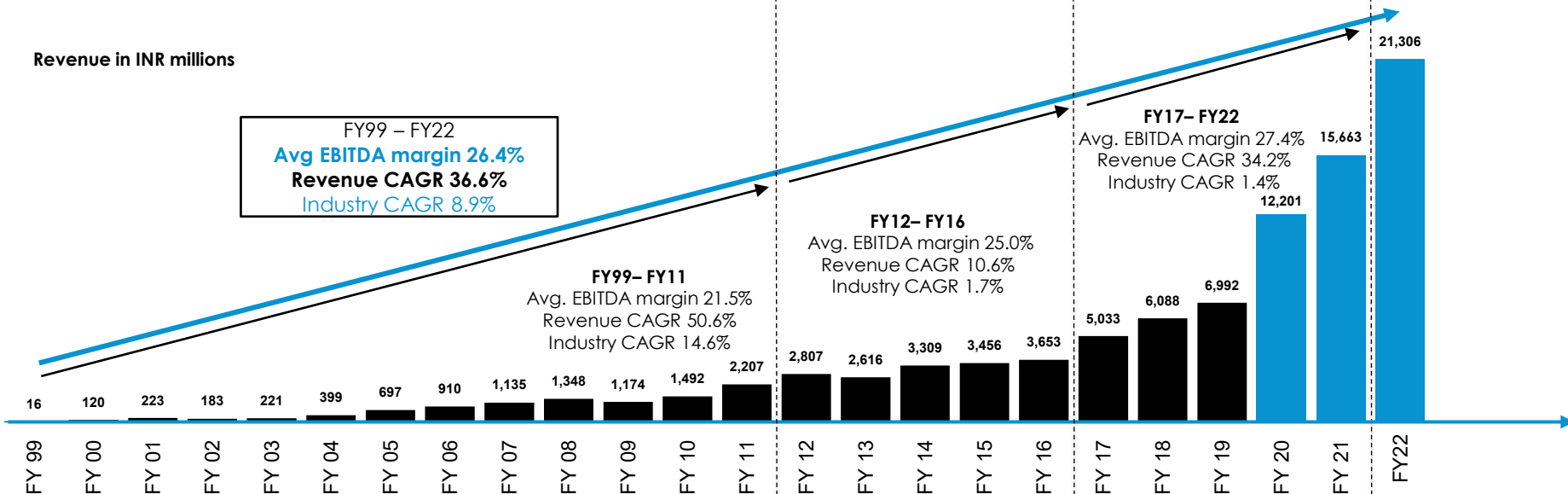
Phase - 3

- Acquisition of Comstar
- 47 Customers (37+10)
- 9 Plants (5+4)
- 10 Products (5+5)

Phase - 4

- Started journey as public company
- 57 customers
- 9 plants
- 13 products

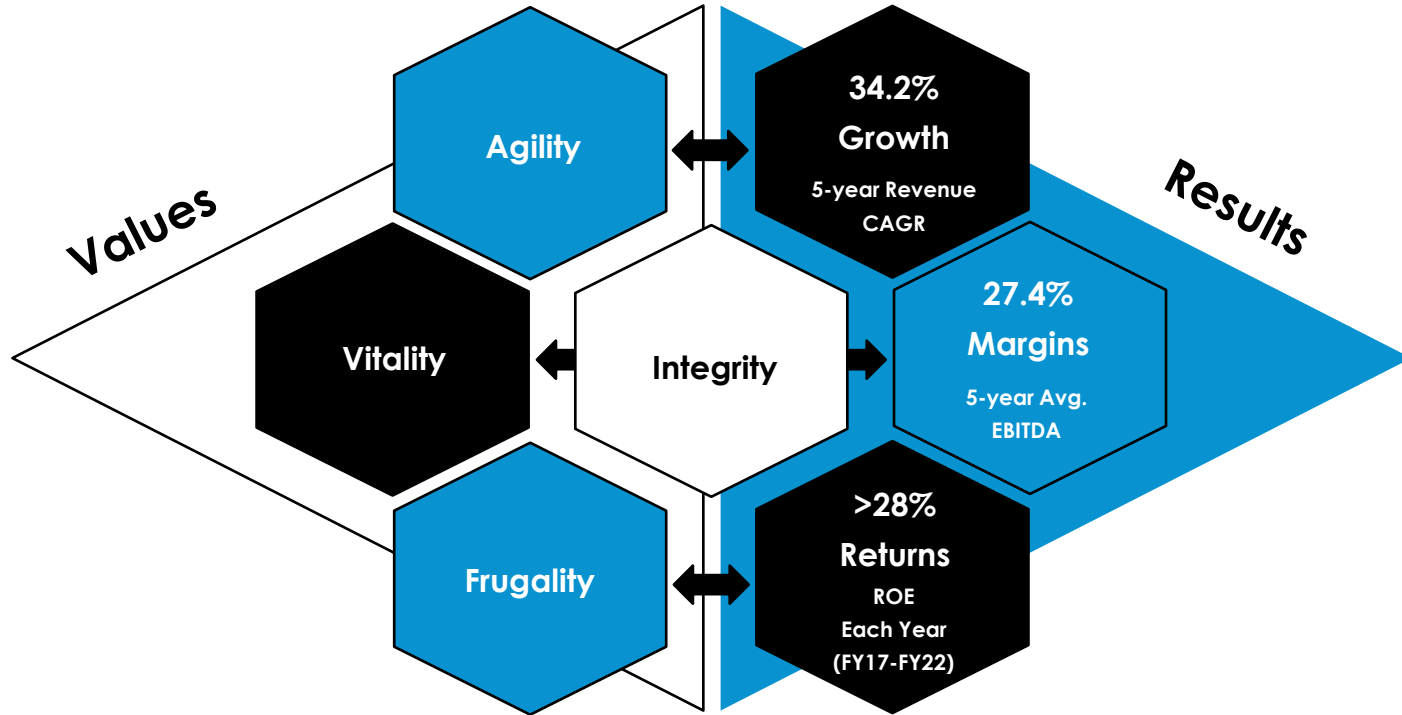
Revenue in INR millions



Notes:

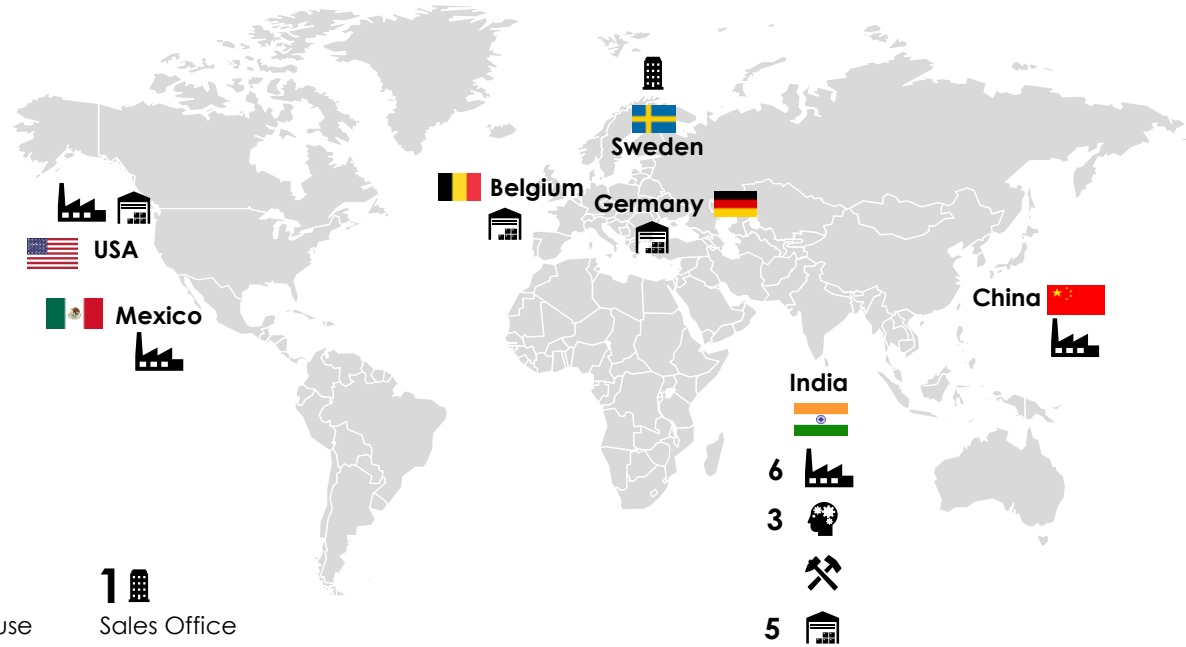
1. FY20, FY21 and 9M FY22 include Comstar
2. Industry data source: SIAM

Guided by Values



Established Global Presence to Serve Customers Locally

-  7 of the world's top 10 PV OEMs¹
-  3 of the world's top 10 CV OEMs²
-  7 of the world's top 8 tractor OEMs²

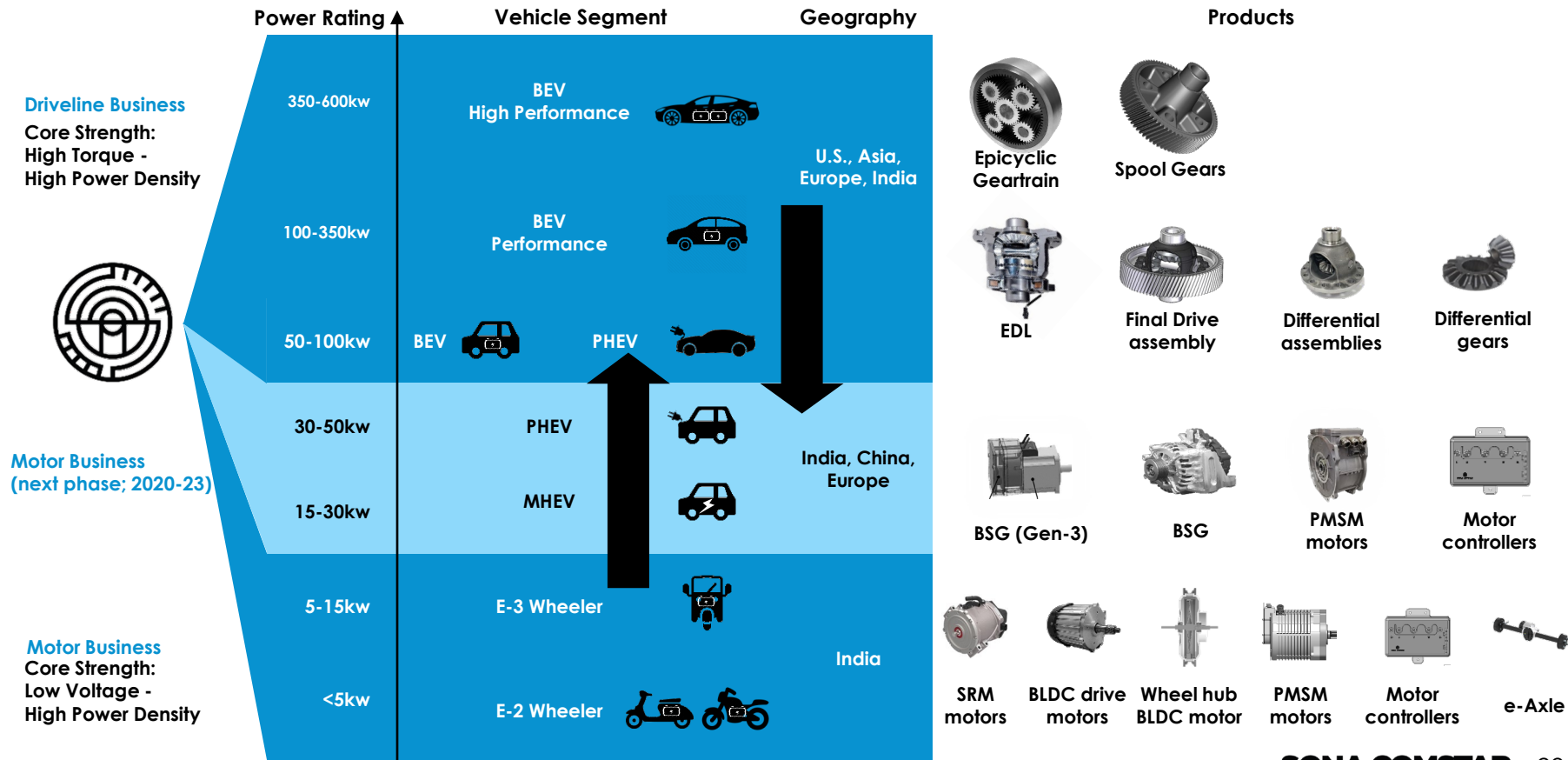


- 9**  Manufacturing Plant
- 3**  R&D Centre
- 1**  Tool & Die Shop
- 8**  Warehouse
- 1**  Sales Office

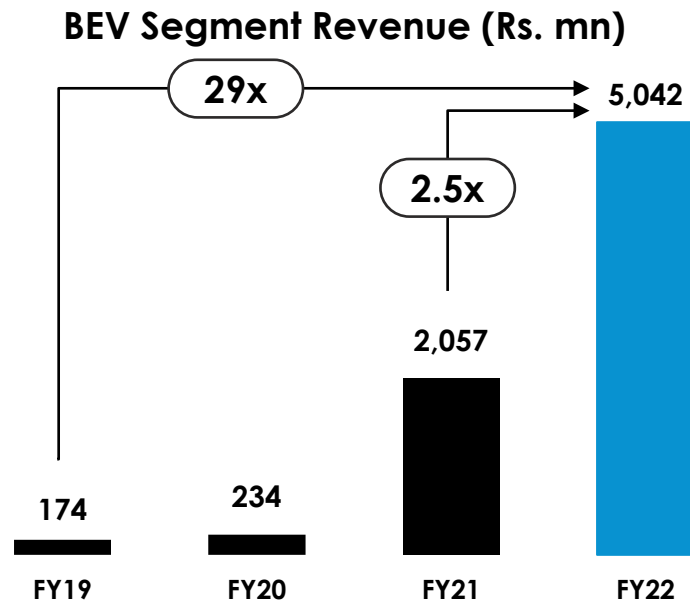
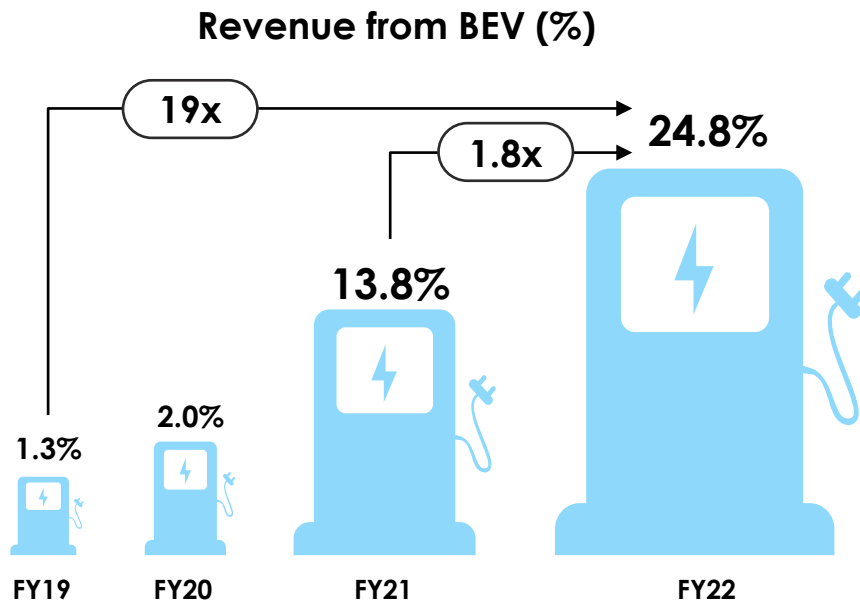
Notes:

1. Source: BofA, Company Analysis
2. Source: Ricardo report

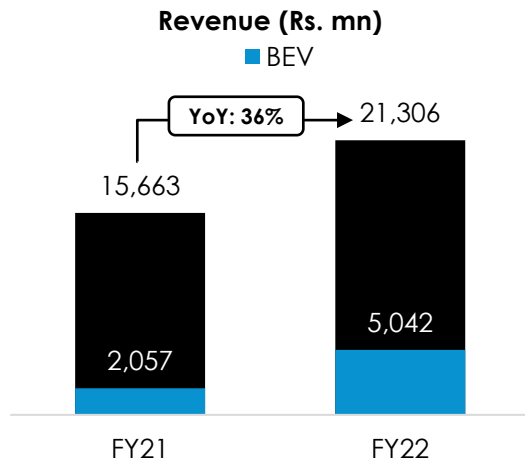
Electrification: Our Approach to Market



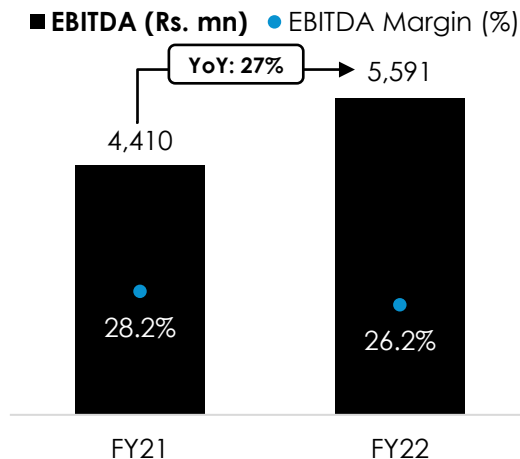
Revenue share from BEV has grown 19x over 3 years, with absolute BEV revenue growth at 29x



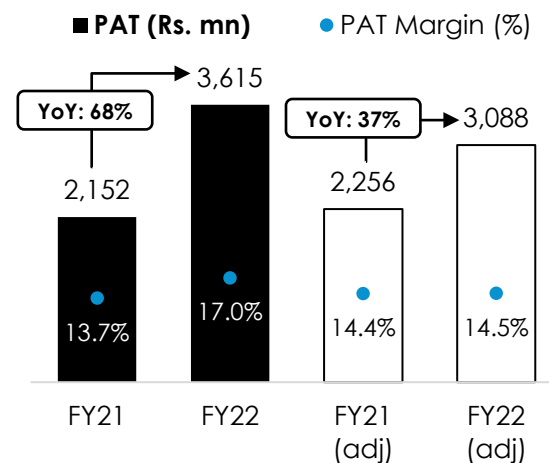
FY22 Financials



- BEV Revenue higher by 145%, constitutes 25% of total revenue
- Non-BEV Revenue grew 20% despite a decline of automotive sales in our key markets of North America and Europe by ~4%



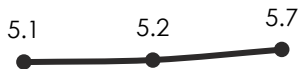
- Positive margin impact of ~1.4% and ~1.9% due to operating leverage and product mix respectively
- Margin impact due to increase in RM cost
 - Arithmetic effect despite pass through ~(-2.9%)
 - No pass-through impact ~(-1.2%)
- ~(-1.1%) margin impact due to lower forex gain



- Net impact of change in depreciation and interest cost (as % of revenue) has improved PAT margin by ~0.7%
- PAT for both years has been adjusted for IPO expenses and one time tax impacts in FY22

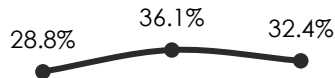
Key Ratios

VA/Employee cost



Mar-20 Mar-21 Mar-22

RoCE (%)



Mar-20 Mar-21 Mar-22

RoE (%)



Mar-20 Mar-21 Mar-22

Net Debt to EBITDA



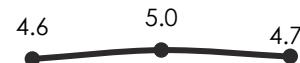
Mar-20 Mar-21 Mar-22

Working Capital Turnover



Mar-20 Mar-21 Mar-22

Fixed Asset Turnover



Mar-20 Mar-21 Mar-22

Note:

- 1) VA/Employee Cost = Material margin/ (Employee cost + Manpower cost on hiring)
- 2) ROCE = LTM EBIT/ Average tangible capital employed
- 3) ROE = LTM PAT/ Average tangible net worth
- 4) Net Debt to EBITDA = Short-term & long-term debt less Cash & bank balances / LTM EBITDA
- 5) Working Capital Turnover = LTM Revenue/ Average net working capital
- 6) Fixed asset turnover = LTM Revenue/ Average Tangible net block
- 7) Mar-20 numbers are based on pro-forma financials
- 8) RoCE and RoE for earlier years have been recalculated due to merger